Northern Affairs et du Nord

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Minerals on Indian Reserves: Mining

Indian and Eskimo Affairs Program
Economic Development

Introduction

Mineral deposits on Indian reserves indicate that mining could provide the foundation of financial security for a number of Indian bands. The purpose of this booklet is to inform Indian people, the mining industry, and others of the potential for minerals on Indian reserves and how this resource may be developed.

General Information on Minerals

Minerals are commonly grouped into four categories which are listed here in order of importance for the Indian lands of Canada:

- *Oil and Gas* (petroleum) including tar sands oil.
- *Metallic Minerals* such as copper, nickel, gold and iron.
- *Non-Metallic Minerals* including potash, salt and coal.
- *Structural Materials* such as sand, gravel, stone and marl.

This booklet deals only with metallic and non-metallic minerals. Structural minerals and oil and gas are dealt with in companion publications.

Mining Potential. General

Canada's 2,200 Indian reserves range in size from a fraction of an acre to 350,000 acres and comprise six million acres from coast to coast. Because mineral resources are normally hidden below the surface, they cannot be identified and measured easily. Estimates of their value have been made by comparing undeveloped Indian lands with lands having similar rock formations where the minerals have been developed and evaluated.

The metallic mineral resources of Indian lands have been estimated to have the following potential values at 1974 prices:

B.C.	$324 million
Alta.	170 million
Sask.	418 million
Man.	203 million
Ont.	2,406 million
Qué.	112 million
N.B.	20 million
N.S.	14 million

Since these values are based on the laws of probability, there is no guarantee that the mineral resources of the Indian reserves of any province will realize their theoretical value; on the other hand the entire forecast value might be realized by the discovery of one or two major mineral deposits on reserves in any part of Canada.

Potential By Reserve

The ability of each reserve to yield minerals must be measured. This is done in three stages:

- Research of available mineral reports, maps, and other literature on each reserve and its neighbourhood;
- Reconnaissance field studies by prospecting and geoscientific surveys; and
- Detailed field surveys by advanced geoscientific methods and by diamond drilling.

This work is organized and directed by specialists of the Indian Minerals Section, but has also been carried out to a limited extent by mining companies under leases or permits.

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Rights to Minerals

With some exceptions, an Indian band has the right to the minerals underlying its reserve lands. Under the present administration of Indian lands by Band Councils and Chiefs, each band member shares in the benefits from the mineral development on any part of the Reserve including locatee lands.

However, in some provinces, court judgments have recognized the legal right of the provincial governments to all or part of the minerals interests of some Indian reserves. Agreements have been reached with most of the provinces which provide Indian bands with full benefit from the development of minerals on their reserves. At present, there is no agreement with Quebec, and the agreement with British Columbia is under review.

Indian Minerals Program

The Indian Minerals Program is designed to assist Indian bands across Canada in developing the mineral resources of their lands in a manner that will provide maximum benefit from revenue, employment and band-member involvement.

The Department of Indian and Northern Affairs has provided a staff of mineral specialists to give this advice and assistance. However, the decision to explore for and to develop the minerals of an Indian reserve must be made by the Indian people through their Band Council.

The Indian Minerals specialists also assist Indian bands in mineral development projects off reserve and in organizing and co-ordinating the training of Indian people for employment in the mining and petroleum industries.

Authority

The *Indian Mining Regulations* and certain sections of *The Indian Act* provide the policy under which rights to minerals, other than oil and gas, may be acquired and developed under leases or other forms of agreement. Approval by the Band electors through a referendum must first be given to authorize any development of minerals, and the Band Council may then proceed to arrange for disposal of the mineral rights by agreement.

Most Indian mineral rights are explored and developed by companies having both the experience and the capital required for this type of venture.

Prospecting

To assess the mineral prospects of an Indian reserve, an interested minerals explorer may apply for a "Licence to Prospect". This licence, issued under the authority of the Band Council, allows for entry onto the reserve to prospect for minerals but does not provide a licensee with any exclusive or residual rights to the minerals. The licensee may, however, negotiate an agreement for the mineral rights with the Band Council should initial prospecting prove successful.

Negotiated Agreements

The mineral rights of an Indian reserve may be acquired through an agreement negotiated directly with the Band Council. This agreement may take the form of either a permit to explore, or a lease, or both. Both types of contract may provide for bonus, price, acreage mineral rental, work obligation, rate of royalty and submission of technical reports. Where use of land surface is required continuously for the mineral development, a surface lease must also be negotiated with the Band Council.

The permit affords exclusive exploration rights and sets forth the conditions under which the permittee may elect to convert to a lease. The lease differs mainly from the permit in that it bears a higher rate of rental and authorizes production.

Exploration and Development

Mining rights may be explored and developed by the holder of a permit or lease in various ways:

- Surveying by geological, geophysical, or geochemical means, ground or air;
- Stripping overburden to expose bedrock;
- Sampling by core drilling, chipping or blasting;
- Underground work through shafts and tunnels.

Management

A minerals management service is provided by the Indian-Eskimo Economic Development Branch of the Department to assist Band Councils in arranging for mineral development.

This service is performed by the Indian Minerals Section and includes:

- Evaluating potential mineral resources;
- Arranging for the issuance of lease and permits to mining companies;
- Advising Indian bands in the negotiation of agreements with companies;
- Documenting and administering permits and lease;
- Inspecting and regulating field operations;
- Accepting and verifying payments of bonus, rental, and royalty; and
- Drafting and recommending policy for approval by Indian bands and by the Department.

Training and Employment

A further goal of the Indian Minerals Program is that of training Indian people to manage and develop their minerals and to take advantage of employment opportunities in the mining industry. This training may take different forms, which include:

- Workshop courses for band representatives;
- Short courses in prospecting, geotechnical surveys, and drilling;
- On-the-job training with mining companies and government mineral agencies; and
- Technical and professional mining courses at colleges and universities.

There are great opportunities for the employment of Indian people in the mining industry but training must be provided to qualify them for work or management in this field.

Information

The Department of Indian and Northern Affairs, Indian-Eskimo Economic Development Branch, manages the mineral rights of Indian lands from offices staffed by professional engineers and administrators. Information may be obtained from either of the following offices:

In Ottawa

Supervisor of Indian
Minerals (East)
Department of Indian
and Northern Affairs,
Room 600,
400 Laurier Avenue West,
Ottawa, Ontario K1A 0H4
Tel.: (613) 996-5275

In Calgary

Supervisor of Indian
Minerals (West)
Department of Indian
and Northern Affairs,
112 - 11th Avenue S.E.,
Calgary, Alberta T2G 0X5
Tel.: (403) 265-8874

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